TRADE CONTRACT

Dated and effective this \_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 201\_.

BETWEEN: (Full Legal Name of Builder)

-and-

(Full Legal Name of Trade)

**BACKGROUND:**

A. The Builder constructs residential units in Calgary, Alberta;

B. The Trade provides services and materials to the Builder for the work;

C. The Builder and the Trade acknowledge that they are registered with Canada

Customs and Revenue Agency with respect to the Goods and Services Tax (“GST”) and the Alberta Workers’ Compensation Board (“WCB”), particulars of which are as follows;

 Builder’s GST Registration Number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Builder’s WCB Registration Number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Trade’s GST Registration Number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Trade’s WCB Registration Number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**1. WORK**

1.1 For the construction of the projects the Trade agrees to provide the Work and perform it in a proper and workmanlike manner, as well as to comply with any and all statutes, legislations, regulations, codes and by-laws, as may exist at the time of the performance of the Work.

1.2 The Trade shall obtain and pay for all permits, licenses, inspections and certificates relative to the Work, unless specified otherwise by the Builder.

1.3 The Trade shall keep at the place of Work at all times during the course of the Work, an experienced, designated, responsible person and any necessary assistants.

1.4 The Trade shall provide efficient supervision of the Work using its best skill and attention and shall only employ fit and skilled personnel to carry out the Work.

**2. TERM**

2.1 This Agreement applies to all projects where the Builder has issued a Purchase Order or Warranty Work order to the Trade for a period of one year from the date of this contract. When mutually agreed between the parties in writing, this agreement may be renewed under the same terms and conditions for a period not to exceed one (1) additional year.

**3. NO EXCLUSIVITY**

3.1 The Builder and Trade acknowledge that this is not an exclusive arrangement between them, and both the Builder and the Trade may deal with other builders and Trades as the case may be during the term of this agreement.

**4. PURCHASE ORDERS**

4.1 The Work to be done by the Trade shall be in accordance with the Scope of Work and the Purchase Order.

4.2 The Purchase Order will have specific information with respect to the following:

4.2.1 The municipal address where the Work is to be performed;

4.2.2 The Builder’s job reference number for the Work;

4.2.3 Any other information which the circumstances of the Work may require.

4.3 Trade will only commence work on a project for which Trade has received a Purchase Order. If the Trade finds the Purchase Order to be unclear, or finds any discrepancies, omissions or errors in it, the Trade is to notify the Builder and ask for a revised Purchase Order

4.4 The acceptance of the Purchase Order by the Trade will confirm to the Builder that the Trade has read and fully understands the Work, the Purchase Order, and all related documents, drawings and specifications provided with the Purchase Order.

4.5 The Builder and Trade acknowledge that communication with each other with respect to the Purchase Order, including the delivery and acceptance of the Purchase Order, can be done by delivery of written documents, facsimile transmission or electronic communication in accordance with the Notices section described in paragraph 21 below.

**5. SAFETY**

5.1 The Builder and Trade agree to comply with the terms of the Safety Policy described in the Safety Policy which includes the Safety Policies of both the Builder and Trade. The Builder and Trade acknowledge that while the Builder has overall responsibility and control for safety at the location of the Work, there is a joint responsibility between the Builder and the Trade with respect to the Work which is pertinent to the Trade. If the Trade learns that there are any safety concerns or violations by anyone at the location of the Work, then the Trade has a duty to report such safety matters to the Builder as soon as reasonably possible.

5.2 The Builder and the Trade acknowledge that they have read and will comply with the *current Occupational Health and Safety Act, Regulation and Code* and the Alberta Homes Builders’ Association Residential Construction Safety Guide, as each may be amended and in place at the time of the performance of the Work.

5.3 After either the Builder or the Trade receives notice of violation of an applicable safety requirement, the safety concern shall be rectified as soon as reasonably possible and the Builder or the Trade may elect to suspend performance of the Work until the safety violation has been rectified.

**6. STANDARDS**

6.1 The Trade shall complete the Work in accordance with the following:

6.1.1 The plans and specifications for the project, copies of which have been provided to the Trade and the Trade acknowledges receiving;

6.1.2 The Purchase Order issued by the Builder including any change orders to the plans and specifications;

6.1.3 All applicable building codes and regulations;

6.1.4 All reasonable instructions given by the Builder to the Trade;

6.1.5 In accordance with the general requirements of the Work as described in the Scope of Work; and,

6.1.6 All materials provided as part of the Work shall meet all federal, provincial and municipal safety requirements and standards and shall have been fully tested and approved by any relevant safety standard authority including Underwriters Laboratories Limited or the Canadian Standards Association.

6.2 If the Trade becomes aware of any conflict or ambiguity with respect to the requirements described above, then the Trade shall advise the Builder of such conflict or ambiguity and the Builder shall issue additional instructions to resolve the conflict or ambiguity.

**7. PERFORMANCE**

7.1 Unless otherwise stipulated in the Purchase Order, the Trade shall provide and pay for all things necessarily incidental to the performance of the Work including materials, labour, tools, equipment, transportation, power, insurance and WCB coverage.

7.2 The Trade shall commence the Work on each project within the time stipulated by the Builder and, having commenced the Work, shall diligently perform the Work until it is fully completed on schedule.

7.3 The Trade shall, during the performance of the Work, perform daily clean up at the projects. Upon final completion of the Work, the Trade shall remove all debris, material, tools, equipment and other items brought onto the location of the Work by the Trade.

7.4 The Trade shall do all things necessarily incidental to incorporate the Work with the work of other Trades of the Builder including cutting, patching, filling and fitting as may be required.

7.5 The Trade acknowledges that the Builder is responsible for protecting the property where the Work is performed from damage including the lot grading, curbs, gutters and sidewalks of the home. The Trade shall protect the property from damage and shall be responsible to the Builder if the Trade or any of its employees, subcontractors or agents cause damages to the property. The Builder shall have the right to have any damages caused by the Trade repaired and the cost of such repairs shall be immediately due and payable by the Trade to the Builder.

7.6 The Trade, by proceeding with its Work, is deemed to have accepted the workmanship and materials of previous Trades to the Builder for the project.

7.7 Trade will be responsible for any loss of its tools or equipment used in performing the Work which results from a theft or mysterious disappearance occurring at any time. Trade will be responsible for any loss of materials supplied as part of the Work which results from a theft or mysterious disappearance occurring at any time prior to those materials being installed and the Work being completed, inspected and accepted by the Builder.

**8. INSPECTION**

8.1 The Work shall be subject to inspection by the Builder and any authorized inspector at any time during the course of performance of the Work.

8.2 The Builder may inspect the Work after completion and Trade self-inspection, and the cost of repairing any damage to the Work caused by such inspection shall be borne by the Builder if the Work complies with this Agreement and the Purchase Order and alternatively, repair costs shall be borne by the Trade if the Work does not comply with this Agreement and the Purchase Order.

8.3 Any Work which has been inspected and found not to comply with this Agreement and the Purchase Order shall be fully rectified by the Trade, at their own expense, forthwith.

**9. WARRANTY**

9.1 The Trade shall provide Warranty for any work completed. The Warranty shall be for a minimum period of 1 (ONE) year after the date of completion of the project.

9.2 During the Warranty period, the Trade shall, within 7 days of receiving notice of such defect from the Builder, rectify or replace the defective workmanship or materials. If the Trade fails to rectify or replace the defective workmanship or materials within the aforesaid notice period, the Builder may do so and the Trade shall be liable to the Builder for the cost of rectifying the defect of deficiency and shall pay the Builder such costs forthwith. In the case of seasonal delays, the aforesaid notification may be given after weather conditions allow for completion of the Warranty work.

9.3 All manufacturer warranties and guarantees of materials provided to the Trade shall be delivered by the Trade to the Builder. The Trade hereby assigns its rights under any such manufacturers’ warranty or guarantee to the Builder or the Owner of the Home as may be applicable.

9.4 If the Trade fails to perform any of its Warranty service obligations, within the time specified above, the Builder may withhold any payment owing by the Builder to the Trade under this Agreement until the required Warranty service work is completed.

**10. PRICE CHANGES**

10.1 The Price for the Work will remain in effect for the term identified in Paragraph 2. If the Trade finds it necessary to change the price for its work, the Trade must provide written documentation of the reason for the change. If the Builder accepts the change, an effective date for the price change will be determined by the Trade and the Builder.

**11. INVOICING**

11.1 The invoice must include the following information:

Description of work performed

Date when work was performed and completed

Separate costs of material and labour, including unit values

Trades GST registration number.

11.2 Invoices are to be submitted by email to\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

11.3 Invoices will be paid in accordance with the date invoices are received by the Builder.

11.4 Any invoices received more than 45 days after work specific to the invoice has been completed will not be processed and will be returned to the Trade unpaid.

**12. CHANGES TO THE WORK**

12.1 The Builder, without invalidating this Agreement, may make changes by altering, adding to, or deducting from, the Work and the price for the Work and the time for performance of the Work shall be adjusted accordingly. No changes to the Work shall be made without a written Change Order from the Builder.

12.2 The Trade acknowledges that the Owner of the Home is not entitled to instruct the Trade with respect to any changes for the performance of the Work and only changes for the performance of the Work authorized in writing by the Builder will apply.

**13. PAYMENT**

13.1 The Builder shall pay the Trade for the Work based upon the Purchase Order.

13.2 All payments required to be made pursuant to this Agreement shall be subject to inclusion of the Goods and Services Tax and the Builder and the Trade acknowledge that they will fully comply with the *Excise Tax Act* and will not knowingly do business with any person, firm or corporation which does not comply with the *Excise Tax Act.*

13.3 The Trade acknowledges the Payment Processing Date and the Builder’s cycle for processing payment of invoices issued by the Trade to the Builder.

13.4 Where the Trade has provided Work pursuant to the Purchase Order and the Builder or its authorized representative has accepted the Work, the Builder shall pay the Trade as follows:

 **Invoices received between the 1st of the month and the 15th of the month will be paid by the 15th of the following month. Invoices received by the 16th and the last day of the month, will be paid on the last day of the following month. A standard holdback of 10% will be applied as per the Builder’s Lien Act.**

13.5 The Builder may, in its discretion acting reasonably, hold back a reasonable amount from any payment owing under this Agreement for incomplete Work invoiced as completed Work, seasonal deficiencies, Warranty holdbacks as described in paragraph 9 above, and a builders’ lien holdback.

13.6 If the Trade does not give written notice to the Builder within thirty (30) days after it receives payment of any invoice from the Builder, then the Trade shall be deemed to have accepted such payment (together with the amount of any holdback made from such payment) as full compensation for the items described in the invoice and shall be stopped from denying that it received full payment for the items described in the invoice.

13.7 Should the Builder or Trade terminate this agreement, the Builder may, at its discretion, hold back an amount from any payment owing under this Agreement for incomplete Work and/or completed Work but not yet through the warranty period. The amount held back would reflect the costs the Builder deems reasonable to complete the unfinished work and the costs to warranty all the work completed by the Trade. Upon expiration of the warranty period any remaining holdback would be returned to the Trade.

**14. INDEMNITY**

14.1 The Trade shall indemnify and hold harmless the Builder, the Owner and their respective agents, employees and successors from and against all claims, demands, losses, costs, damages, actions, suits or proceedings by third parties that arise out of, or are attributable to the Trade’s performance or non-performance of the Work and this Agreement.

14.2 The Builder shall indemnify and hold harmless the Trade, and its agents, employees and successors from and against all claims, demands, losses, costs, damages, actions, suits or proceedings by third parties that rise out of, or are attributable to the Builder’s performance or non-performance of this Agreement.

14.3 The Trade shall keep the title to the Home where the Work has been performed free and clear of all builders’ liens and encumbrances which may be registered by persons claiming an interest therein through the Trade. If the Trade fails to have any such lien or encumbrance discharged within seven (7) days after being requested to do so, the Builder may make such payments and do such other things as may be required to discharge the builder’s lien or encumbrance and the amount so paid by the Builder, together with its legal costs in obtaining the discharge on a solicitor and own client full indemnity basis, shall be immediately due and payable by the Trade to the Builder, or deducted from future payments by the Builder, at its sole discretion.

14.4 The Trade shall indemnify the Builder and Owner against all actions, claims or proceedings for infringement of any patent rights and for royalties or other payments which may be payable in connection with any such patent rights in carrying out the Work.

**15. BUILDER’S RIGHT TO TERMINATE**

15.1 The Builder may terminate this Agreement immediately and without notice if the Trade:

15.1.1 Makes a general assignment for the benefit of its creditors pursuant to the *Bankruptcy & Insolvency Act* or the *Companies Creditors Arrangement Act* or other similar insolvency legislation, or if a receiver or a receiver and manager is appointed, or the Trade otherwise acknowledges its insolvency;

15.1.2 Goes into liquidation;

15.1.3 Fails to supply the Work as required pursuant to this Agreement; or

15.1.4 Is otherwise in breach of this Agreement and fails to rectify the breach within seven (7) days after receiving notice of the breach.

**16. TRADE’S RIGHT TO TERMINATE**

16.1 If the Builder makes a general assignment for the benefit of its creditors, is adjudged bankrupt or if a receiver or receiver-manager is appointed or otherwise acknowledges its insolvency, the Trade may, without prejudice to any other right or remedy it may have, by giving the Builder or trustee or receiver or liquidator written notice, terminate this Agreement.

16.2 If the Work is stopped or otherwise delayed for a period of thirty (30) days or more under an order of any court of competent jurisdiction, or other public authority, and providing that such order was not issued as a result of any act or fault of the Trade or of anyone directly or indirectly employed by it, the Trade may, without prejudice to any other right or remedy it may have, by giving the Builder written notice, terminate the Work.

**17. ALTERNATE SOURCES**

17.1 If the Trade fails to provide the services and materials as required by paragraph 5 of this Agreement, seven (7) days notice will be given and then the Builder may, without terminating this Agreement and without prejudicing any other right which it may have under this Agreement, obtain from alternative sources such services and materials as may be required to complete the Work for the Home.

17.2 For the purpose of completing the projects, the Builder may utilize any materials delivered to any projects by the Trade.

17.3 If the cost of obtaining alternate Trade and installation pursuant to this paragraph exceeds the amount which the Builder would have paid the Trade had it fulfilled its obligation, then the excess cost shall be immediately due and payable by the Trade to the Builder.

**18. DISPUTE RESOLUTION**

18.1 If there is any dispute between the Builder and the Trade as to their respective rights and obligations under this Agreement, the Builder and the Trade shall first try to resolve the dispute through negotiations between them and if necessary, use mediation services to help them resolve the dispute. If the dispute remains unresolved after negotiation or mediation, then the Builder and Trade may agree to submit the dispute to arbitration and either the Builder or the Trade may request that the dispute be resolved by arbitration. If the Builder and Trade do not agree to submit such dispute to arbitration, then either of them may seek recourse pursuant to such judicial process as the circumstances may require.

18.2 If the Builder and Trade agree to arbitration, then such arbitration shall be conducted in accordance with the *Arbitration Act c.A-43 RSA 2000* by a single arbitrator appointed through consultation between the Builder and the Trade or their respective legal counsel failing which, a single arbitrator shall be appointed by the Court.

18.3 Should any dispute arise between the Builder and the Trade in any way pertaining to the Work that is related to a dispute between the Owner of the Home and the Builder, such dispute shall be disposed of in the same manner, by the same arbitrator, at the same time and in the same hearings as the dispute is to be disposed of as agreed between the Purchaser of the Home and the Builder.

**19. INSURANCE**

19.1 The Trade shall, without limiting its obligations or liabilities herein, provide, maintain and pay for:

19.1.1 Commercial general liability insurance and automobile liability insurance and

19.1.2 All-risk contractor’s equipment insurance covering construction machinery and equipment used by the Trade for the performance of the Work.

19.2 The minimum amount of insurance to be provided under 19.1.1 and 19.1.2 shall not be less than $2,000,000 for bodily injury and property damage.

19.3 Prior to commencement and through to completion of the Work, the Trade shall provide the Builder with certificates or other proof satisfactory to the Builder of such insurance which shall be subject to the Builder’s approval for adequacy of protection.

19.4 The Builder shall be named as additional insured on the policy.

19.5 If, the Trade’s insurance coverage is not in compliance with paragraph 19.2, then the Builder may take out additional insurance in the name of the Trade and deduct the cost of such additional insurance from money otherwise payable to the Trade under this Agreement.

19.6 If, with the written consent of the Builder, the Trade has delegated all or a portion of the Work to anyone else, then the person, firm or corporation to whom all or a portion of the Work has been delegated must provide the Builder and Trade with satisfactory proof of insurance in accordance with the above requirements.

**20. WORKERS’ COMPENSATION**

20.1 The Trade shall provide, maintain and pay for WCB coverage for all of its employees and agents including any employees and agents of its subcontractors, engaged in the Work, in accordance with the statutory requirements.

20.2 The amount of any assessment by the WCB made in respect of the Work performed by the Trade under this Agreement which the Builder is required to pay shall be payable immediately by the Trade to the Builder.

20.3 No payment for the Work will be made by the Builder to the Trade unless the Trade is current and in good standing with the WCB on the Payment Processing Date.

**21. NOTICES**

21.1 The Builder and the Trade may deliver a notice, Purchase Order, invoice or other document or communication to the other by delivery either by hand or by mail to the address of the other party as follows:

BUILDER

Mailing Address:

Delivery Address: Same as above

Telephone Number:

Fax Number:

E-mail:

TRADE

Mailing Address:

Delivery Address:

Telephone Number:

Fax Number:

**22. PROHIBITED CONDUCT**

22.1 Illegal or controlled substances and goods such as illegal drugs, alcohol and firearms are absolutely prohibited from the Home and adjacent lands;

22.2 There shall be no smoking anywhere on our job sites;

22.3 Once floor surfaces have been finished with carpet, tile, hardwood, or any other finished flooring, outdoor footwear must not be worn in the Home;

22.4 Pets or animals are not allowed in the Home or on lands adjacent to the Home.

22.5 Overnight camping out at the Home and adjacent lands is prohibited;

22.6 Parking on finished driveways is prohibited;

22.7 Garbage and construction debris must not be put in any heating or ventilation vents and ducts, or in any wall stud spaces.

22.8 Urination or defecation in the Home or adjacent lands is prohibited. Failure to adhere to this requirement shall result in immediate termination of the offender.

22.9 To maintain good relations with nearby property owners, loud or excessive noise

from a radio or any other electronic device and profanity are prohibited from the job site of the Home.

**23. ASSIGNMENT**

23.1 This Agreement may not be assigned by the Trade without the prior written consent of the Builder.

**24. APPLICABLE LAW**

This Agreement shall be governed by the laws of the Province of Alberta.

IN WITN ESS WHEREOF, the Builder and the Trade have executed this Agreement as of the day and year first above written.

BUILDER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Per:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TRADE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Per:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_